

JUDGE KOEHL

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

08 CV 01958

PLUMBERS' UNION LOCAL NO. 12
PENSION FUND, Individually and On Behalf
of All Others Similarly Situated,

Plaintiff,

vs.

SWISS REINSURANCE COMPANY,
JACQUES AIGRAIN, GEORGE QUINN,
CHRISTIAN MUMENTHALER, RAJ SINGH
and ANDREAS BEERLI,

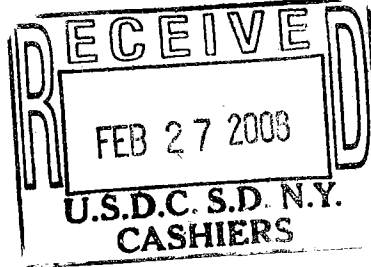
Defendants.

x

Civil Action No.

CLASS ACTION

COMPLAINT FOR VIOLATION OF THE
FEDERAL SECURITIES LAWS



DEMAND FOR JURY TRIAL

x

INTRODUCTION AND OVERVIEW

1. This is a class action for violations of the anti-fraud provisions of the federal securities laws on behalf of all U.S. residents or citizens who purchased Swiss Reinsurance Company ("Swiss Re" or the "Company") stock between May 8, 2007 and November 19, 2007 (the "Class Period"), who were damaged thereby (the "Class").

2. Swiss Re is the world's largest reinsurer with 70 offices in more than 25 countries. The Company was founded in Zurich, Switzerland in 1863.

3. During the Class Period, defendants made false and misleading statements about the Company's financial condition. Specifically, defendants failed to disclose that Swiss Re's Credit Solutions unit had written two credit default swaps that exposed the Company to great financial risk. In a credit default swap, one party guarantees that a third party borrower will not default on a debt. In this case, Swiss Re guaranteed certain mortgage-backed securities which included some subprime and collateralized debt obligations.

4. When the existence and nature of the credit default swaps was disclosed, Swiss Re's stock price dropped from CHF97.55 to CHF87.55 (Swiss Francs) the next day. This decrease in Swiss Re's stock price was a result of the artificial inflation caused by defendants' misleading statements coming out of the stock price.

JURISDICTION AND VENUE

5. The claims asserted arise under §§10(b) and 20(a) of the Securities Exchange Act of 1934 ("1934 Act") and Rule 10b-5. Jurisdiction is conferred by §27 of the 1934 Act. Venue is proper pursuant to §27 of the 1934 Act. Swiss Re conducts business in this District. Also, on information and belief, a significant portion of the mortgage-backed securities and collateralized debt obligations that were guaranteed by the credit default swaps in question were issued in this District.

THE PARTIES

6. Plaintiff Plumbers' Union Local No. 12 Pension Fund purchased Swiss Re stock during the Class Period as set forth in the attached certification and was damaged thereby.

7. Defendant Swiss Re is the world's largest reinsurer with its headquarters located in Zurich, Switzerland. Swiss Re's stock is traded under the symbol RUKN on the Swiss Exchange, which is an efficient market.

8. Defendant Jacques Aigrain ("Aigrain") was, at all relevant times, Chief Executive Officer ("CEO") of the Company.

9. Defendant Georges Quinn ("Quinn") was, at all relevant times, Chief Financial Officer ("CFO") of the Company.

10. Defendant Christian Mumenthaler ("Mumenthaler") was Chief Risk Officer of the Company from 2005 until October 26, 2007.

11. Defendant Raj Singh ("Singh") was appointed Chief Risk Officer of the Company on October 26, 2007.

12. Defendant Andreas Beerli ("Beerli") was, at all relevant times, Chief Operating Officer ("COO") of the Company.

SCIENTER

13. During the Class Period, the defendants had both the motive and opportunity to conduct fraud. They also had actual knowledge of the misleading nature of the statements they made or acted in reckless disregard of the true information known to them at the time. In so doing, the defendants participated in a scheme to defraud and committed acts, practices and participated in a course of business that operated as a fraud or deceit on purchasers of Swiss Re stock during the Class Period.

**FALSE AND MISLEADING
STATEMENTS DURING THE CLASS PERIOD**

14. On May 8, 2007, the Company issued a press release entitled "Swiss Re's net income increases 54% to CHF 1.3 billion in the 1st quarter 2007; Annualised return on equity increases to 17.1%; Earnings per share rise 38% to CHF 3.85 per share." The release stated in part:

Swiss Re recorded earnings of CHF 1.3 billion in the first quarter 2007, an increase of 54% over the prior year's first quarter based on continuing good performance across all business segments. Earnings per share rose 38% to CHF 3.85. The annualised return on equity also improved to 17.1% compared to 14.1% in the first quarter 2006.

"Swiss Re had a good start to 2007," said Jacques Aigrain, Swiss Re's Chief Executive Officer. "All our business segments contributed to Swiss Re's solid performance, which also benefited from the contributions of former Insurance Solutions units and a strong investment result."

Premiums earned increased 23% to CHF 8.1 billion, benefiting significantly from the Insurance Solutions acquisition. Shareholders' equity decreased by 1% to CHF 30.4 billion, due to the first step in the share buy-back programme of CHF 1.7 billion. Annualised return on equity increased to 17.1% in 2007 from 14.1% in 2006.

The investment result was CHF 2.3 billion, a 44% increase over the prior year's quarter, benefiting from effective protection of Swiss Re's equity position during the market downturn in March. The return on investments was a strong 5.9%, up from 5.4% in the first quarter 2006. Net realised investments gains increased by 61% to CHF 445 million in the first quarter of 2007, mainly due to equities and the sale of Swiss Re's London office building.

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Financial Services operating income rose 209% to CHF 235 million and the return on total revenues was 32.8%, due to strong underwriting performance in credit reinsurance and the inclusion of the Bank Trade Finance business from Insurance Solutions.

Outlook

Swiss Re will continue to build on its leading position in the rapidly-growing area of insurance risk transfer to capital markets and continue to seek further opportunities to put its capital to work at attractive rates through Admin Re® transactions.

Swiss Re maintains its targets of earnings per share growth of 10% and return on equity of 13% over the cycle.

15. On May 8, 2007, on the Company's Q1 2007 earnings conference call, defendants made the following statements:

[Quinn:] Overall, we've had a pretty solid quarter, generally good performance across all of the businesses, with Financial Services as the highlight. The only area where the result is a little weaker is in Life & Health. And this is related to the GE Life acquisition but this will work its way out of the system as the year progresses. P&C has continued to produce very strong earnings.

* * *

Financial Services has had a great quarter. The traditional trade credit reinsurance book and the capital markets businesses have produced some excellent numbers.

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Against this, the equity markets became a little bit more volatile towards the end of the quarter but the asset management team handled this well. And just a reminder that the comments on the investment portfolio exclude the returns on the linked assets.

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Financial Services has had an outstanding quarter, as you can see on slide eight. All the business are performing well and they all drove the 24 – or the very, very significant improvement you can see in operating income. Revenues are up across the board, reflecting both the strong renewal for the trade credit business and the growth of revenues in CMA. Returns are also up very significantly within the credit, ILS and equity and equity derivative businesses, which includes the financial market risk that's embedded in the vehicle annuity transactions that we've completed in the first quarter and previously.

Finally, the combined ratio for Credit Solutions is significantly below the expected level, as the claims occurrence was much lower than expected in quarter one.

As we highlighted in the year-end presentation, the Financial Services business will continue to grow but it won't be linear, and we can't bank on the remainder of the year continuing at the same pace that we've seen in the first quarter.

The investment result is on slide nine. We've also had the benefit of a very strong investment return for the quarter. Invested assets grew while we've continued to have a pretty cautious stance in relation to both credit and equity risk. The investment result improved on the back of rising yields and the recognition of the gain that I mentioned earlier on the sale of a building in London. This continues to be

offset, to a certain extent, by the protection that we bought for both equity and credit risk.

16. On August 7, 2007, the Company issued a press release entitled "Swiss Re's net income increases 45% to CHF 1.2 billion in second quarter 2007; Annualised return on equity increases to 15.9%; Earnings per share rises 38% to CHF 3.50 per share." The release stated in part:

Swiss Re today announced earnings of CHF 1.2 billion in the second quarter of 2007, an increase of 45% over the same period last year. Annualised return on equity for the second quarter improved to 15.9%, compared to 13.3% in 2006. Earnings per share rose 38% to CHF 3.50.

"We are pleased with the results for the second quarter as we continued to generate economic profit growth through careful cycle management and efficient capital allocation. The results also demonstrate our continuing ability to deliver against our other goals of reducing earnings volatility, enlarging market scope and achieving organisational excellence," said Jacques Aigrain, Swiss Re's Chief Executive Officer.

Compared to second quarter 2006, premiums earned increased 17% to CHF 8.0 billion, reflecting the inclusion of Insurance Solutions. Annualised return on equity for the second quarter increased to 15.9% from 13.3% in 2006, well above Swiss Re's present 13% target over the cycle. Shareholders' equity decreased by 4% to CHF 29.5 billion compared to the end of 2006, due to the mark-to-market effects of interest rate increases on bonds and dividend payments during the second quarter, as well as the buy-back of Swiss Re shares in the first quarter.

The total investment result was CHF 2.3 billion, a 57% increase over the same quarter in 2006, benefiting from Insurance Solutions and GE UK Life acquisitions and Admin Re® transactions. The annualised return on investments was 5.6%, up from 4.8% in the second quarter of 2006.

* * *

Financial Services operating income grew 71% to CHF 193 million and the return on total revenues was 31.5%, compared to 15.7% in second quarter 2006. This result reflects the excellent performance of all Financial Services activities, including recent initiatives in the areas of credit, variable annuities and insurance-linked securities on behalf of both Swiss Re and its clients.

17. On August 7, 2007, on the Company's interim 2007 earnings conference call, defendants made the following statements:

[Quinn:] Financial Services has continued to demonstrate its rapid development into a business that not only brings significant strategic benefits to the Group, but also one that's started to become a material contributor to the bottom line.

* * *

Investment performance is also very, very good despite the choppy markets. And I guess it's hard to remember what the markets were like in June, given what we've now seen in July.

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Summary of all of this is that we are generating excess capital from operating earnings, a little more rapidly than perhaps we anticipated. And this, combined with the slightly lower risk capital requirements that we're going to have after the renewal, and I'll comment on that later, means that we're in a position to continue the buyback subject to market conditions. And, as I'm sure you've already seen, we've made an announcement to that effect this morning.

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Financial Services are on the next page, slide 11. It's a continuation of the first quarter, with very strong margins in the client-driven businesses, combined with a combined ratio that for Credit Solutions is in line with our expectations. It's important to remember that we had a lower combined ratio in quarter one for Credit Solutions that was driven primarily by reserve movements. But a very, very strong performance for Financial Services, as I mentioned earlier.

You all have noted that the third quarter environment is currently a little bit more challenging.

Investment performance, on slide 12, is very strong again, despite the challenging interest rate environment that I referred to earlier. You can see a combination of the asset growth through the addition of the assets on the two longevity deals that we did with Friends Provident and Zurich Financial Services in the first half, on the second quarter. But this was partly offset by both the interest rate effects that I mentioned earlier, the dividend payment in the second quarter and the settlement that we reached on the WTC dispute in quarter two.

Hedging costs were also higher in the quarter. And the mark to market on the part of the fixed income portfolio that's designated as trading also had a pretty significant impact, going down in the ROI for the quarter.

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Slide 15 is a summary of how Swiss Re manages credit risk in some of the exposures that we have. Long before the presentation that we had today, managing credit risk has been a continuing theme of the presentations that we've made to you.

We continue to be very cautious in our approach to credit. If you look at the slide on slide 15, you'll see that we have, from total invested assets of CHF190b, exposed to sub-prime of less than CHF500m. And all of this was acquired over the last few months.

For the sake of completeness, as you can imagine, there are sub-prime risks elsewhere in the balance sheet, and I'll try to summarize some of them for you. It will exist in the portfolio of CDS business and the Financial Guarantee Re, which both sit within our traditional credit business, also in swaps and also elsewhere in the P&C book. The credit characteristics of those risks are typically extremely high, double A minus or better, and the risk that these areas expose us to is significantly less than the risk that we're exposed to through the investment that we've made recently in sub-prime bonds.

* * *

Slide 17 looks at the equity side of the financial market risk. This is a slide I've used on some earlier investor presentations this year. And I think the key point I want to draw out for you appears on the chart on the bottom of slide 17. And the important issue is that Swiss Re will manage its exposure to stress loss also on equities on a dynamic basis, and you can see, for example, some of the moves and the changes that we implemented in response to either actual or anticipated market movements within the portfolio in the first and second quarter of 2007.

Slide 18 is a summary and outlook for the year. As you can see clearly, the performance is currently well above our over-the-cycle targets. And the superior returns from asset management, the contribution of the expansion of the product offering, that over the last year, combined with a continued expansion in the possibility for Admin Re, means that there is confident to be – there is reason to be confident about our growth prospects. But I want to reiterate that the targets are over the cycle and are not linear annual targets.

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James Quin – Citigroup – Analyst

Yes. Good afternoon. Two questions, please. Firstly, looking at the Financial Services business and the capital markets business, it looks to have done a – if you look at the revenues being very strong for two quarters in a row, and it looks like you've done pretty much what you did in the whole of your last year. You obviously mentioned the fact that that might be a bit more challenging going forwards, but I wonder if you could just explain, given that we don't really have much information on that business, what you think the current market volatility might mean for that business. Do you mean lower securitization volumes in the future? Is it – are you seeing your buyers of this type of business taking a much more risk-averse stance? If you could expand on that and just give us some sense of, I guess, why those numbers are being so strong.

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[Quinn:] Let me start with the Financial Services point. Let me just try and make a note of the second one before I forget.

Yes. The results for the first year, we've had a great first half in Financial Services. And as you point out, we are – we've achieved just about what we had for the whole of last year. I think one important point to bear in mind, if you look at last year, last year was heavily skewed to the second half. What you're now seeing is eight – sorry, four quarters of very, very good performance.

Now, why would I have mentioned that the environment is a bit more challenging? It's nothing to do with securitization, so we still have mandates. We don't believe that that will be affected by the turmoil that we see elsewhere. It's an uncorrelated asset class and the demand still exists. So the – our expectations for what the ILS team can achieve remain ambitious.

I think what I was really trying to point out is that across the various Financial Services businesses we have exposure to credit, and we do business in credit. So whether it's a corporate bond portfolio, whether it's the traded credit or the trade credit in the traditional reinsurance book, first of all, we're going to see some spread effects. Because of the quality of our credit portfolio, I don't expect it to translate into any cash loss but we are going to see some spread impact. That will be offset from a Group perspective by the hedging that we have in place but it will put some pressure on FS. And I think it will also dampen demand, potentially, for those kinds of products in the short term.

But Financial Services is not about quarter three 2007 for us. It's about a longer-term ambition that we've got, about the contribution that it gives to the strategy of the firm and its role in helping to transform the way this industry operates, and that's going to take a wee bit more than the next three months. So, although we're cautious about the kind of environment, our longer-term growth view on Financial Services remains very, very strong.

Now, new business, I bet I'm going to do a poor job of answering these questions but we'll give it a go.

* * *

Richard Hewitt – Dresdner Kleinwort – Analyst

Yes. Good afternoon, everybody. I wonder if you could provide a little bit more granularity on your credit exposures in investments, and in particular what you've got invested in ABS, MBS, corporate bonds and COs, CDOs at the moment.

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[Quinn:] Yes. Okay. So on the first point, the investor relations has a detailed breakdown of all of the ABS, CDO, CLO, CMBS, CML, CMO, MBS and various other structures. So, rather than read all of this out to you –

[Hewitt:] Yes, sure.

[Quinn:] You can get it from Susan's team immediately after this call. It's available to all the analysts, of course.

[Hewitt:] Okay. Thank you.

* * *

[Aigrain:] Let me spend one minute on one or two clarifications. First of all, any of the sub-prime-related exposure, direct or indirect in their format, are not in CDO form. It's quite important to remember because, as you do know terribly well, it is the specific leverage effect and mark-to-model effect of CDOs which have been troubling and creates a higher degree of uncertainties, and which have in particular created a disconnect between ratings and effective spread widening and potential true performance. So in our case, any exposure which is any way extraordinarily modest is in normal structures of layers or non-CDO layers, which are highly rated typically.

18. On September 10, 2007, the Company issued a press release entitled "Swiss Re remains focused on economic profit growth ahead of January 2008 renewal; financial market turmoil likely to have modest positive impact on demand." The release stated in part:

Swiss Re will continue to remain focused on economic profit growth, at the expense of premium volume, if necessary. Swiss Re is well positioned for the upcoming renewals in January 2008, due to its broad client base, well diversified book of business and financial strength.

The industry is expected to deliver solid results in 2007. However, Swiss Re estimates that in 2007 claims for the industry from natural catastrophes will amount to roughly USD 35 billion, well above a benign 2006 with USD 12 billion in natural catastrophe claims, continuing the long-term trend towards high natural catastrophe claims. The recent capital market volatility re-emphasises the value of reinsurance as an effective measure for risk diversification and this will have modest positive consequences for demand.

There are many positive signs of a continued commitment to underwriting discipline. In 2007 alone, insurers and reinsurers announced the return of approximately CHF 45 billion to shareholders in the form of share buy-backs, including CHF 6 billion from Swiss Re. Furthermore, the advent of Solvency II as a regulation favoring a more transparent risk management approach, will further drive reinsurance buying behaviour. Despite this, prices in some lines, most notably in

some areas of US casualty, have declined to levels that do not support the required returns for shareholders.

At today's media conference at the start of the Rendez-vous de Monte Carlo, the annual insurance conference, Jacques Aigrain, Chief Executive Officer of Swiss Re, said: "While the overall market conditions remain good and clients continue to place a premium on their relationships with Swiss Re, we will not hesitate to re-allocate our resources to those areas where we can earn the most attractive returns. We believe that our consistent underwriting approach, risk management expertise and capital market capabilities place us in a favourable position to offer attractive solutions to our existing and future clients."

19. On September 11, 2007, on the Company's conference call following the press release, defendants made the following statements:

[Aigrain:] Generally speaking, we see 2007 as being potentially, for a global market perspective, slightly less favorable than 2006, and I will explain why in a minute. In particular, of course, because the Cat environment in 2007 for the primary, as well as reinsurance, but primarily for the primary industry, has been, of course, already by now significantly higher than the particularly benign environment of 2006.

The second thing is that it also will be somewhat impacted by the capital market uncertainties and the increased volatility. The capital market uncertainties and volatility should logically translate into a better appreciation of the value of risk transfer. And we would suggest, and we'll detail a little bit our thoughts, that reinsurance is one of the solutions that, on balance, should benefit in this environment.

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The capital market volatility, as a supplementary factor of indicators of potential demand for reinsurance solutions, is an interesting aspect to keep in mind. First thing, as you know very well in this room, is that what are the type of indicators you use, and there a number of different indices on that page six. It has not been strictly a matter of sub-prime. It has been a matter across the entire credit spectrum. If anything, actually, the equity markets, while increasing in volatility, have actually performed at a rather more steady way than the fixed income markets across the board.

That, of course, increases substantially the perceptions of risk, the volatility of risk, which has increased dramatically, and thus should place the value of risk transfer at a higher side. After all, insurance and reinsurance are also a clear example of volatility value propositions.

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The second aspect is that, on balance, the increase in the volatility across the financial market has two consequences. Point one, it should give a better appreciation of value for risk transfer, and the reinsurance market is open for business by contrast to the credit market. Point two, it increases the uncertainty level on the part of the CFO or CEO of a primary company with regard to their financial results and, on balance, should suggest the more cautionary policies when they define their reinsurance approach.

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In summary, we think that globally, but at the margin, the present market turbulences have a positive effect on the reinsurance demand.

20. On October 26, 2007, the Company issued a press release entitled "Swiss Re's Board of Directors appointed Raj Singh as its new Chief Risk Officer – Christian Mumenthaler takes over Life & Health Products." The release stated in part:

"With Raj Singh we have brought one of the global leaders in risk management as a successor of Christian Mumenthaler to Swiss Re, who became Chief Risk Officer in 2005. Raj Singh can build on the excellent work of his predecessor. With his broad international experience in the insurance and banking sector, Raj Singh will contribute to the continued development of our position as the leading risk transformer," said Swiss Re's Chief Executive Officer, Jacques Aigrain.

21. Defendants' statements above were materially false and misleading when made because they failed to disclose that the Company had written two credit default swaps that posed material unreserved financial risk for the Company.

22. On November 6, 2007, the Company issued a press release entitled "Swiss Re delivers strong net income of CHF 1.5 billion in the third quarter 2007; Annualised return on equity is 18.8% for the quarter and 17.2% for the first nine months; Earnings per share for the third quarter declines 3.0% to CHF 4.20 per share." The release stated in part:

Swiss Re today announced continuing strong performance for the third quarter of 2007 based on several years of diligent underwriting. Despite a turbulent quarter in the financial markets, Swiss Re delivered strong earnings of CHF 1.5 billion for the third quarter of 2007. Compared with an outstanding equivalent quarter in the prior year, the net income decreased by 5% but increased by 23% for the first nine months of 2007. These earnings translate into an excellent annualised return on equity of 18.8% for the quarter and 17.2% for the first nine months of 2007. Earnings per share

for the quarter declined marginally by 3% to CHF 4.20, and increased strongly by 17% for the first nine months of 2007.

“Swiss Re continues to perform strongly. The results of our Property & Casualty and of our Life & Health businesses are excellent. The performance is driven by disciplined underwriting, although we also benefited from low natural catastrophe claims during the quarter. Swiss Re will remain resolute in its focus on quality underwriting and active cycle management, and on deploying capital to maximise returns and generate strong earnings growth,” commented Jacques Aigrain, Swiss Re’s Chief Executive Officer.

Swiss Re reported a net income of CHF 1.5 billion for the third quarter of 2007, a 5% decrease compared with the third quarter of 2006 but resulting in an increase of 23% for the first nine months of 2007. Quarterly earnings per share were 3% lower at CHF 4.20. Annualised return on equity of 18.8% for the third quarter of 2007 or 17.2% for the first nine months continued to be well above Swiss Re’s 13% target over the cycle. Compared with the end of 2006, shareholders’ equity grew by 5% to CHF 32.4 billion due to strong earnings, partly offset by Swiss Re’s ongoing share buy-back programme, dividends paid in the second quarter and the weakening of the US dollar against the Swiss franc. Book value per share increased to CHF 92.35, compared to CHF 86.21 on 31 December 2006.

Swiss Re’s total investment result was a solid CHF 1.7 billion (excluding linked business), an annualised return on investments of 4.6% for the third quarter and 5.3% for the first nine months. Swiss Re’s cautious stance on its investment portfolio prevented it from sustaining any material negative impact from the financial market turbulence. Instead, Swiss Re’s net unrealised gains increased strongly from CHF 2.0 billion to CHF 4.2 billion, as the equity portfolio performed well and lower interest rates more than compensated for the wider spreads on fixed-income portfolios.

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Financial Services reported an operating loss of CHF 113 million in the quarter compared to an excellent performance during the third quarter of 2006. As a result, operating performance for the year to date is 13% lower than for the same period in 2006. All Financial Services trading activities are marked to market through the profit and loss account and thus any deterioration in its activities are reported immediately in operating performance. In substance, the trading activities complement the proprietary asset performance, and the trading loss is equivalent to a relatively small impact on the return on investments for the third quarter.

Outlook

“Overall, Swiss Re’s earnings of CHF 4.0 billion for the year to date, which represents an increase of 23% year on year, points towards a successful full year,

assuming an average level of natural catastrophes.” said Jacques Aigrain, Swiss Re’s CEO.

Focusing on quality underwriting and active cycle management, Swiss Re is prepared to reallocate capital across business lines or return it to shareholders through a share buy-back programme and dividends. Admin Re® opportunities continue to present themselves, while Swiss Re’s investments in new product lines, such as variable annuity and longevity, have delivered the first successes and continue to offer great potential.

23. On November 6, 2007, on the Company’s Q3 2007 earnings conference call, defendants made the following statements:

[Quinn:] As you can see, we’ve had a pretty good quarter, but it’s an even better nine months. The quarter’s net income is down slightly against what was a great quarter one year ago, but the year to date is up 23% against the same nine-month period in 2006. And it’s important to remember that 2006 itself was a record year.

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When we released the second quarter results about three months ago, I mentioned that at that time we expected the quarter to be challenging for Financial Services. And this has turned out to be an understatement and, as you can see from the information we’ve released today, Financial Services has reported a loss for the quarter.

The return on investment is lower for the quarter, although the year to date is very healthy. The lower ROI for the quarter is mainly due to the fact that we didn’t have as gains, either in fixed income or in equities, at the same rate that you saw earlier in the year. And in fact, we actually took some realized losses to take advantage of the spreads that we saw later in the quarter. You see the flip side of this in the very strong growth in book value which is driven by unrealized gains.

The result of all of this is a target-beating return on equity for the quarter of 19%, growth in book value of 7% and, as you can see on slide four, we’ve also made a further step in our buyback in the quarter.

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But there are things that didn’t work so well. We’re not happy about the result in Financial Services and, while the loss was within the levels predicted by our risk framework, it’s not good enough. The reserving adjustments are also disappointing but necessary, and you can see that we’ve also quantified these for you on slide six.

And finally on this topic, we had a greater expectation for the value of our credit spread protection. The quarter started well, but as time went on throughout the

quarter I think you're probably well aware that spreads on the – between the cash market and the [sintery] market diverged and the end result was that the protection was not as effective as we had anticipated. But having said that, that was against a backdrop where the firm has suffered non-material credit impairment in the quarter.

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I think as you're all probably well aware from comments I've made earlier this year, quarter three is the period during which we complete our major annual reserving exercise and the adjustments that we've made as a result are completely apparent. Property is great, as is Motor and also the Specialties which include engineering. But Liability and Accident are affected by the adjustments that I mentioned earlier. The two changes are disappointing, but this is somewhat mitigated by the fact that both adjustments are undiscounted adjustments to very long tail lines of business. And in fact in the case of workers' comp it's an adjustment to the tail factor after 30 years.

As I've said several times before, we don't try to manage individual sub-portfolios of the Group's reserves and we focus much more on the Group's overall reserve strength but, to be completely frank, I'd probably feel a bit more comfortable with the overall composition of reserves after the changes that we've made this quarter. Now, obviously, just a reminder that our workers' comp reserves are completely undiscounted.

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Slide 10 has Financial Services. It's not a good quarter. Probably the best way to make sense of this thing is to look at it in two parts. One is client driven, includes insurance-linked securities, the variable annuity product, some of the credit product that we structure on behalf of clients and the remainder which is mainly trading activity and can probably be thought of as an extension of the proprietary risk that we take in asset management.

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The bad news is that the impact of the latter, being the mark to market effects, outweighed the positives on the former. The more positive side would be that the impact overall is modest. It's less, for example, than the impact of the interest rate overlays that we have on place on the total fixed income portfolio and it's a very – a relatively small impact on the ROI.

And the year to date is about okay, although it's still not great. The traditional credit business within Financial Services had a pretty positive quarter but, again, I direct you more to the year to date as being more representative of our expectations for this business for the future. It's probably also worth noting that we have not marked any of the funding to market.

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Michael Huttner – JPMorgan – Analyst

And the second, you talk a lot about you'd like to show greater transparency in Financial Services and I can't see any numbers which split it by division. And I just wonder if you could give say the following numbers?

One is the actual loss you suffered on the trading credit portfolio. The second, the split which you've shown I think at the half year, but I couldn't find any reference in the quarter accounts, between the fee business and the underwriting business in terms of profit. And maybe in the fee business, actually split all the various businesses you have in there. I'm extremely impressed, but every time I hear you speak of these things, there's one more which pops up. It's probably me, I'm being – I'm very slow at picking up. But it would be very, very helpful to have an actual split of what's happening there. Thanks.

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[Quinn:] As far as Financial Services goes, I'm not going to break out the detail, the main reason being that in the third comment during the presentation I'd end up breaking the thing into numbers that are extremely small in comparison to other parts of the business overall. You can imagine that, in the quarter, the results are dominated by what's happened on the trading portfolio. We actually have a positive on the credit side, so slightly more than the 112 that you see there – I mean slightly more, is the trading loss for the quarter.

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Kevin Ryan – ING Group – Analyst

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And one other question. Are you able on the Financial Services to quantify what we might be looking at going forward in terms of these trading losses? Are they capped? Are they open-ended? Can you give us any sort of feel for what we're on for there, please? Thanks.

* * *

[Quinn:] On the topic of forecasting Financial Services results for the fourth quarter, you can imagine that, given that we've never been in the habit of forecasting the results for the – or making – setting targets or making earnings estimates for the Group, even for 12 months, never mind three months, I'm not going to start today doing that for Financial Services.

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James Quin – Citigroup – Analyst

Hello, good afternoon. The first question, I think, relates to the Financial Services business. And George, you say that you yourself think that it's a good way to look at this business as a client-driven operation in an asset management business. But then you seem very reluctant to actually help us look at it in that way and I'm just a bit mystified as to why that would be the case.

Because there is a lot of focus on this business and in the current environment it's certainly not doing you any good. So, if you can't answer any details, I wonder if you could at least talk us through how the accounting works here, because I guess we haven't seen a lot of volatility coming through the Financial Services line over the last few years as asset values have, obviously, worked their way up or down.

And so it doesn't seem to be the case that the straight change in market value of your trading assets, which are pretty significant, goes through the P&L. So there seems to be some sort of other piece there which I think we're missing. So, if you can shed some light on that, that would be, I think, very important?

The second question is on your exposure to financial guarantee insurers. And I think, as probably everybody in the world knows, you are highlighted by Ambac as being one of their primary reinsurers. And I wonder if you could just talk us through what exactly is the business of Ambac that you're reinsuring?

Is there stuff that you, for example, would not do? Would you steer clear of credit-wrapping CDOs, or securitizations, or anything like that? So, if you could talk us through exactly how you would see your exposures, not specifically to Ambac, but to that class of insurers as a whole? Thank you.

[Quinn:] Yes, okay. So, on the first thing, James, I guess I'm – I'm not reluctant. What I don't want to do is to chop and change the segments every quarter. And I'm dealing here with what's the smaller part of the business. But I'll demonstrate the transparency by answering the second question in a fairly full fashion.

So, I think, if there are particular issues about exposure, if I'm asked, I will answer directly. But what I'm not going to do is chop up the FS business into ever-smaller segments.

To go back to the first part of your question though, the – I don't know why you would think that the accounting is not working on a mark to market basis. The trading book is entirely mark to market and that mark to market flows through the P&L and it does in every quarter of our results. The only place where we don't have mark to market accounting is, one, on the insurance product side of Financial Services. And that's a combination of the trade credit and the surety business and the Financial Guarantee Re, which we're going to come onto in a second.

And then elsewhere, outside Financial Services, of course, in the proprietary asset portfolio, we mainly have mark to market through the balance sheet, with either impairments, or realized gains or losses taking income into the P&L. Although, for

those of you that follow our foreign currency accounting, you'll be aware there are some wrinkles to that. So, there's nothing odd going on here. The changes in market value are flowing through the P&L.

Exposure to Financial Guarantee Re. We do have exposure to financial Guarantee Re through the major monoliners. It's a business that we've had for, I guess, the last three or four years. And we participate on the reinsurance treaties of the main monoliners, so MBIA, Ambac, FSA etc.

These treaties specifically exclude CLOs and CDOs. They typically have relatively low per-name risk limits. And as a result, that means that the business is mainly exposed to the [muni] Bonds. The business is proportional. We carefully assess and look at things like service of risk on the treaties. But we feel pretty comfortable with the exposure that we have on these contracts. The overall exposure that we have is small and, as I said earlier, it's not to CLOs or CDOs that have been wrapped by these companies.

James Quin – Citigroup – Analyst

* * *

And then just on the mark to market on financial services, I think the only reason that we keep banging on about this is that it really obscures what's going on in the result. So, it's very hard for us to see the wood for the trees. And it's certainly not me just saying this. I think – it is an area where we really don't seem to get any disclosure at all apart, from the credit solutions combined ratios. So, I guess, if it's not me it'll be somebody else asking the question. If you can, I guess, with the year-end results, at least break that out, then that would be a big step forward.

[Quinn:] I think when you get to the year end, James, the one thing you'll see again is, we routinely disclose the VARs in the risk section of the Annual Report, and you'll see that again. I just don't have the VAR at my fingertips for the Financial Re guaranteed component that would be exposed to ABS. And even if I had it, I probably wouldn't give it to you anyway, because it would be such a small component of the overall VAR.

But again, if you go back and – the other comment I want to make here, of course, is that where we use VAR as one of the tools, I think that you will probably appreciate that one of the weaknesses that I think VAR is recognized to have is more evident in some of the more extreme credit dislocations.

And so I think I'd caution you a wee bit and we are relatively cautious about how we use VAR in the type of market environment we're in today. So stress loss is potentially a much more interesting way to look at this. And, of course, we've – I think we've disclosed the stress loss in the appendix to the analysts' presentation today. It hasn't changed much from the one you saw at the end of June.

* * *

William Morgan – Goldman Sachs – Analyst

Hello, good afternoon. I guess I wanted to follow up on some other areas where you might be exposed to the credit issues going on in the market at the moment. I noticed in your Annual Report you talk about some, I think, asset swaps you have with commercial paper conduit vehicles which, in certain cases, have been causing issues.

I just wondered what your specific exposure is, because it's not entirely clear to me looking at your Annual Report. And you mentioned that the maximum exposure you might have to loss would be somewhere in the region of CHF3.7b. I just wanted to know how that loss may come about, exactly what your involvement is in this particular area. So, anything you could do to clarify that would be very useful.

* * *

[Quinn:] Yes, sure. Okay, first of all, on the topic of conduits, the – you're right, there is disclosure on conduits. We have been using conduits in the past, typically, multi-seller conduits. But given the disruption in the markets that took place in the quarter three, we have taken all of our assets out of conduits, where they were in conduits, so at the end of the quarter we have a very, very small amount that remained sitting in conduit structures. And that's mainly because we couldn't get other counterparties to execute sufficiently quickly to be clear of them.

The reason for doing that was, not some concern about the assets that are held in them, because typically these assets are very highly rated, but mainly because of the – it wasn't clear that the services of these conduits were going to continue in the long term, given some of the market disruption that we saw.

So, to the extent that we've had any exposure to any credit or other type of issue in these conduits, well, it's reflected in the mark to market impact that you see in financial services for the quarter. And in fact, there was before anyway because typically, of course, you have a total return swap in place. So even though you don't have the physical ownership of the assets in conduits, you typically are somewhat exposed to some of the risks that the assets have.

* * *

William Morgan – Goldman Sachs – Analyst

If I could just follow up on the point you made. So, if the losses on any mark to market losses on conduits are reflected in Financial Services mark to market, is the – were those quite significant? I guess the issue is that if they were a significant driver of the losses and then you've heavily reduced your exposure, then we could expect that the volatility, perhaps, of that mark to market line going forward would be significantly lower. But were they that significant in the overall loss?

[Quinn:] Given the overall, the answer is, no, I don't think the overall loss is significant. I think – obviously, one of the drivers of your exposure, either to a profit or to a loss, is the size of the balance sheet that we have. And as we bring assets back out of the conduits and onto the balance sheet, if you're not careful and you don't work hard, you balloon the balance sheet, so you end up with what appears to be a larger gross exposure. However, the net is probably similar.

But to maintain the balance sheet within the limits that we set within the Firm, we took steps to bring the size of the positions down. So, if you compare the Financial Services assets and liabilities at the end of September to the position that we held at the end of June, you'll see a small increase. But the trading component of that is, essentially, the same number. And that's despite the fact that we've brought a fairly significant number out of the conduits and back onto the balance sheet.

* * *

Thomas Schwarzenbach – Bank am Bellevue – Analyst

Okay. So, in effect, you've picked up some credit risk?

* * *

[Quinn:] Yes, so there's some more – the credit risk, we believe, is really very, very modest. And in fact, again, if you go back and look at the appendix to the analysts' presentation, you'll see that we've actually got an increase in our – the AAA component of our investment portfolio.

* * *

Brian Shea – Merrill Lynch – Analyst

Okay, excellent. I was just trying to ask – I appreciate you don't want to give a forecast for the full year. But I think it is reasonable to ask what sort of movement we've had quarter to date, in terms of all the additional stress you've had in the credit market. Instead of or, if you'd rather, or in addition to, could you tell us what is it that you're trading that's giving rise to losses going to the P&L?

And I appreciate there may be gains that are not going to the P&L. It sounds like it's not the toxic stuff. Is it just plain vanilla CDS, Corporate Bonds, just so we can try and gauge for ourselves what kind of risk you're running and do a better job trying to do our own forecast. Thank you.

[Quinn:] Okay. The – and I apologize for this because, now having got you back, I'm going to not answer the first question. I appreciate that it would be helpful to give an update on where we stand, but I want to avoid that and move from quarterly reporting to monthly reporting. Not because I have any concern about what the information would reveal, I'm just – I'm not going to do it.

In terms of the types of instrument that we have in the trading portfolio, there's nothing particularly exotic, so it's a combination of – on the credit side, it's a fairly traditional long shot type of approach. The credit qualities are typically very good. ABS and equity derivatives would be the other two components.

And again, we've taken an approach to the credit risk that, particularly, would be embedded in ABS that would be consistent with what you see elsewhere in the asset management portfolio. And what that really means is that we've obviously favored the very high quality end of the spectrum.

But as you appreciate, in the market conditions that we saw in the third quarter, and we've seen to a certain extent in October, there isn't any part of the credit quality spectrum that's been spared. Now where we end, I have no idea. We'll see [what the] market's take is. We have, historically, had a fairly cautious stance on credit and that hasn't changed, not in the third quarter, nor in the fourth.

Brian Shea – Merrill Lynch – Analyst

Has your hedging strategy changed at all, has it become more effective, given what you've learned in the third quarter?

[Quinn:] I think the short answer to that, Brian, is probably no, mainly because I'm not really sure how you'd make it more effective.

24. Defendants' statements on November 6, 2007 were materially false and misleading because they failed to disclose that the Company had already suffered \$1 billion in losses in October 2007 as a result of the two credit default swaps written by Swiss Re.

THE TRUTH IS REVEALED

25. On November 19, 2007, the Company issued a press release entitled "Swiss Re expects CHF 1.2 billion mark-to-market loss in the income statement arising from its credit underwriting activities following the market deterioration in October; Swiss Re remains committed to its share buy-back programme and reiterates its over the cycle targets." The release stated in part:

Following completion of its October performance reporting, Swiss Re has to report a CHF 1.2 billion mark-to-market loss, or CHF 981 million after tax, arising from its exposure to two, related credit default swaps written by its Credit Solutions unit that provide protection for a client against a fall in the value of a portfolio of assets.

These investment grade credit default swaps were structured to provide protection against a remote risk of loss. The unprecedented and severe ratings

downgrades undertaken by the Rating Agencies in October and the lack of any truly liquid market for these securities has resulted in a significant and material reduction of the value of the underlying assets.

The portfolios being protected via these credit default swaps, consist largely of mortgage backed securities in various forms including residential and commercial mortgage backed securities. While the majority of the exposure is to prime and mid-prime securities, there is exposure to sub-prime and, more importantly, to asset backed securities (ABS) in the form of collateralised debt obligations or CDOs.

Swiss Re has marked down these ABS CDOs to zero. The sub-prime securities have been written down to 62% of their original value. Other smaller adjustments have been made to the remainder of the portfolio. The market value of the portfolio is now CHF 3.6 billion.

The transactions were approved by the relevant internal risk committees with the appropriate levels of delegated authority. The speed of the financial market deterioration and the size of the loss underlines the need for a more pro-active management of this type of financial market transactions. We have taken steps to ensure this.

"The excellent performance of the Group throughout the year to date means that Swiss Re is able to absorb the extraordinary financial market developments in October. Despite this, it is clear that further improvement and reinforcement of our financial risk taking process is appropriate and we have taken immediate action to make the necessary changes" said Jacques Aigrain, Swiss Re's Chief Executive Officer.

The transactions continue to be exposed to market value changes. This is substantially mitigated by the Group's conservative market value estimates for the ABS CDO part of the exposure, which is the most significant concern.

Swiss Re remains committed to its previously announced share buy-back programme and reiterates its over the cycle targets of EPS 10% and RoE of 13%.

26. Also on November 19, 2007, on the Company's analyst conference call, defendants made the following statements:

[Quinn:] [T]he two credit default swaps that I'm discussing here were likely to have incurred significant losses for the month of October. The two swaps provide protection to a client against the full value of a portfolio securities and most importantly, this portfolio includes a significant proportion of asset backed CDO assets. And as you know, these asset classes have suffered the most significant and severe rate that has fallen on the unprecedented rating actions that we saw at the beginning and throughout October. The two transactions had generated losses during the first nine months of the year but these were . . . within our normal expectations

given the spread environment. The lowest for the year to date till the end of September was 90 million dollars. . . . The structures were both written within the last two years and include the usual features of portfolio CDS protection, including underlying subordination or equity layers and a relatively high attachment point that by inception makes the expected risk of loss relatively low. The underlying assets, mortgage-backed securities, including commercial and residential mortgage-backs with the residential component, including prime, mid-prime and sub-prime. But the real problem in the structure is the ABA, CDOs which make up a bit less than 20% of the combined structure. Well, the current mark-to-market loss is almost certainly affected by the lack of market liquidity. The extent of the downgrade announced in October leaves no room for doubt that the securities have suffered significant impairments. . . . On slide 5, we've included a chart setting a composite view of the two main underlying categories. You can see that the largest categories are prime, sub-prime and then ADA, CDO.

* * *

[Roger Ferguson – Head of Financial Services – Swiss Re:] On the one-hand, there's no failure within the risk-taking process itself. The transaction was also properly authorized by the appropriate risk committee with the required level of delegated authority. Our price verification process is there to provide a second layer of protection in the market valuation process. And this is what it did here. It is rigorous and independent and it is applied consistently across the firm. . . . [W]e clearly made some poor choices. . . . [W]e have elevated the approval process to require specific approval by a member of the executive committee.

27. As a result of these disclosures, Swiss Re's stock price dropped from CHF97.55 to CHF87.55. This decrease in Swiss Re's stock price was a result of the artificial inflation caused by defendants' misleading statements coming out of the stock price.

28. On November 20, 2007, an article in *The New York Times*, entitled "Swiss Re Writes Down \$1 Billion in Mortgage-Tied Loss," stated in part:

Swiss Reinsurance, the world's biggest reinsurer, said Monday that it had taken a \$1.07 billion write-down on the value of some derivatives backed by mortgage securities.

* * *

Swiss Re, whose financial services division is run by Roger W. Ferguson Jr., a former governor of the United States Federal Reserve, said that it incurred the losses, which it called deeply embarrassing, when it sold two credit-default swaps as protection against declines in the value of investments mainly backed by mortgages.

While some analysts expect large investment banks to announce further write-downs, the effects on insurance companies have been expected to be limited because their exposure to mortgage-backed securities was thought to be smaller.

* * *

The company has tried to reassure investors that it is able to absorb the extraordinary financial market developments because of its income in previous months. Insurance companies profited from lower claims this year, in part because no major hurricane struck the United States during the Atlantic storm season.

* * *

The share price of Swiss Re fell 10 Swiss francs Monday, or more than 10 percent, to 87.55 Swiss francs, in Zurich trading.

LOSS CAUSATION/ECONOMIC LOSS

29. During the Class Period, as detailed herein, defendants made false and misleading statements about the Company's financial condition. This artificially inflated Swiss Re's stock price and operated as a fraud or deceit on the Class. Later, when defendants' prior misrepresentations and fraudulent conduct became apparent to the market, Swiss Re's stock price fell precipitously, as the prior artificial inflation came out of the stock price over time. As a result of their purchases of Swiss Re stock during the Class Period, plaintiff and other members of the Class suffered economic loss, *i.e.*, damages, under the federal securities laws.

NO SAFE HARBOR

30. Swiss Re's verbal "Safe Harbor" warnings accompanying its oral forward-looking statements ("FLS") issued during the Class Period were ineffective to shield those statements from liability.

31. The defendants are also liable for any false or misleading FLS pleaded because, at the time each FLS was made, the speaker knew the FLS was false or misleading and the FLS was authorized and/or approved by an executive officer of Swiss Re who knew that the FLS was false. None of the historic or present tense statements made by defendants were assumptions underlying or

relating to any plan, projection or statement of future economic performance, as they were not stated to be such assumptions underlying or relating to any projection or statement of future economic performance when made, nor were any of the projections or forecasts made by defendants expressly related to or stated to be dependent on those historic or present tense statements when made.

**APPLICABILITY OF PRESUMPTION OF
RELIANCE: FRAUD ON THE MARKET**

32. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine in that, among other things:

(a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

(b) The omissions and misrepresentations were material;

(c) The Company's stock traded in an efficient market;

(d) The misrepresentations alleged would tend to induce a reasonable investor to misjudge the value of the Company's stock; and

(e) Plaintiff and other members of the Class purchased Swiss Re stock between the time defendants misrepresented or failed to disclose material facts and the time the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

33. At all relevant times, the market for Swiss Re stock was efficient for the following reasons, among others:

(a) As a regulated issuer, Swiss Re filed periodic public reports with the SEC; and

(b) Swiss Re regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news wire services and through other wide-ranging public disclosures, such as communications with the financial press, securities analysts and other similar reporting services.

COUNT I

**For Violation of §10(b) of the 1934 Act
and Rule 10b-5 Against All Defendants**

34. Plaintiff incorporates ¶¶1-33 by reference.

35. During the Class Period, defendants disseminated or approved the false statements specified above, which they knew or recklessly disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

36. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- (a) Employed devices, schemes, and artifices to defraud;
- (b) Made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) Engaged in acts, practices, and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of Swiss Re stock during the Class Period.

37. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for Swiss Re stock. Plaintiff and the Class would not have purchased Swiss Re stock at the prices they paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by defendants' misleading statements.

38. As a direct and proximate result of these defendants' wrongful conduct, plaintiff and the other members of the Class suffered damages in connection with their purchases of Swiss Re stock during the Class Period.

COUNT II

For Violation of §20(a) of the 1934 Act Against All Defendants

39. Plaintiff incorporates ¶¶1-38 by reference.

40. The Individual Defendants acted as controlling persons of Swiss Re within the meaning of §20 of the 1934 Act. By virtue of their positions and their power to control public statements about Swiss Re, the Individual Defendants had the power and ability to control the actions of Swiss Re and its employees. Swiss Re controlled the Individual Defendants and its other officers and employees. By reason of such conduct, defendants are liable pursuant to §20(a) of the 1934 Act.

CLASS ACTION ALLEGATIONS

41. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of all U.S. residents or citizens who purchased Swiss Re stock during the Class Period (the "Class"). Excluded from the Class are defendants, directors and officers of Swiss Re and their families and affiliates.

42. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court. Swiss Re had more than 374 million shares of stock outstanding, owned by thousands of persons.

43. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

- (a) Whether the 1934 Act was violated by defendants;
- (b) Whether defendants omitted and/or misrepresented material facts;

(c) Whether defendants' statements omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(d) Whether defendants knew or recklessly disregarded that their statements were false and misleading;

(e) Whether the price of Swiss Re stock was artificially inflated; and

(f) The extent of damage sustained by Class members and the appropriate measure of damages.

44. Plaintiff's claims are typical of those of the Class because plaintiff and the Class sustained damages from defendants' wrongful conduct.

45. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests which conflict with those of the Class.

46. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays for judgment as follows:

- A. Declaring this action to be a proper class action pursuant to Fed. R. Civ. P. 23;
- B. Awarding plaintiff and the members of the Class damages and interest;
- C. Awarding plaintiff's reasonable costs, including attorneys' fees; and
- D. Awarding such equitable/injunctive or other relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury.

DATED: February 27, 2008

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
SAMUEL H. RUDMAN
DAVID A. ROSENFELD



DAVID A. ROSENFELD

58 South Service Road, Suite 200
Melville, NY 11747
Telephone: 631/367-7100
631/367-1173 (fax)

COUGHLIN STOIA GELLER
RUDMAN & ROBBINS LLP
DARREN J. ROBBINS
MATTHEW P. MONTGOMERY
655 West Broadway, Suite 1900
San Diego, CA 92101
Telephone: 619/231-1058
619/231-7423 (fax)

Attorneys for Plaintiff

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CERTIFICATION OF NAMED PLAINTIFF
PURSUANT TO FEDERAL SECURITIES LAWS

PLUMBERS' UNION LOCAL NO. 12 PENSION FUND ("Plaintiff")

declares:

1. Plaintiff has reviewed a complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of the class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff has made the following transaction(s) during the Class Period in the securities that are the subject of this action:

<u>Security</u>	<u>Transaction</u>	<u>Date</u>	<u>Price Per Share</u>
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See attached Schedule A.

5. Plaintiff has not sought to serve or served as a representative party for a class in an action filed under the federal securities laws except as detailed below during the three years prior to the date of this Certification:

Johnson v. Pozen Inc., et al., No. 1:07-cv-00599 (S.D.N.C.)
Borochoff v. GlaxoSmithKline PLC, et al., No. 1:07-cv-05114-LLS (S.D.N.Y.)

6. The Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery.

SWISS RE

except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 25th day of February, 2008.

PLUMBERS' UNION LOCAL NO. 12
PENSION FUND

By:

Roger B. [Signature]

Its:

Administrator

SCHEDULE A
SECURITIES TRANSACTIONS

Acquisitions

<u>Date</u> <u>Acquired</u>	<u>Type/Amount of</u> <u>Securities Acquired</u>	<u>Price</u>
09/07/2007	200	CHF 11.00
09/17/2007	200	CHF 9.00
09/18/2007	300	CHF 9.03
09/20/2007	200	CHF 11.60
09/21/2007	100	CHF 10.65
09/25/2007	100	CHF 13.84
09/27/2007	300	CHF 13.80
09/28/2007	200	CHF 12.89
10/02/2007	200	CHF 15.95
10/15/2007	100	CHF 18.80
10/16/2007	100	CHF 16.50
10/17/2007	100	CHF 15.70
11/01/2007	100	CHF 17.60
11/02/2007	200	CHF 14.95
11/05/2007	100	CHF 11.80
11/06/2007	400	CHF 13.26